

Trade Representative shall initiate under section 302(b)(1) of the Act (19 U.S.C. 2412(b)(1)) investigations under title III, chapter 1, of the Act with respect to all of the priority foreign country practices identified.

**Sec. 3. Agreements for the Elimination of Barriers.** In the consultations with a foreign country that the Trade Representative is required to request under section 303(a) of the Act (19 U.S.C. 2413(a)) with respect to an investigation initiated by reason of section 2 of this order, the Trade Representative shall seek to negotiate an agreement that provides for the elimination of the practices that are the subject of the investigation as quickly as possible or, if that is not feasible, provides for compensatory trade benefits. The Trade Representative shall monitor any agreement entered into under this section pursuant to the provisions of section 306 of the Act (19 U.S.C. 2416).

**Sec. 4. Reports.** The Trade Representative shall include in the semiannual report required by section 309 of the Act (19 U.S.C. 2419) a report on the status of any investigation initiated pursuant to section 2 of this order and, where appropriate, the extent to which such investigations have led to increased opportunities for the export of products and services of the United States.

**Sec. 5. Presidential Direction.** The authorities delegated pursuant to this order shall be exercised subject to any subsequent direction by the President in a particular matter.

**William J. Clinton**

The White House,  
March 3, 1994.

[Filed with the Office of the Federal Register,  
1:24 p.m., March 4, 1994]

NOTE: This Executive order will be published in the *Federal Register* on March 8.

### **Statement on the Executive Order on Identification of Trade Expansion Priorities**

*March 3, 1994*

This administration is committed to opening markets for high-quality goods and services produced by competitive American workers. That was the goal of NAFTA, the

GATT negotiations, the APEC conference, the U.S.-Japan framework talks, and a number of other steps my administration has taken. Today, I have signed an Executive order reinstituting Super 301. This action will help us reach our objective: open markets that will create better jobs and increase wages at home and abroad.

### **Message to the Congress on Iraq** *March 3, 1994*

*To the Congress of the United States:*

I hereby report to the Congress on the developments since my last report of August 2, 1993, concerning the national emergency with respect to Iraq that was declared in Executive Order No. 12722 of August 2, 1990. This report is submitted pursuant to section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c).

Executive Order No. 12722 ordered the immediate blocking of all property and interests in property of the Government of Iraq (including the Central Bank of Iraq), then or thereafter located in the United States or within the possession or control of a U.S. person. That order also prohibited the importation into the United States of goods and services of Iraqi origin, as well as the exportation of goods, services, and technology from the United States to Iraq. The order prohibited travel-related transactions to or from Iraq and the performance of any contract in support of any industrial, commercial, or governmental project in Iraq. U.S. persons were also prohibited from granting or extending credit or loans to the Government of Iraq.

The foregoing prohibitions (as well as the blocking of Government of Iraq property) were continued and augmented on August 9, 1990, by Executive Order No. 12724, which was issued in order to align the sanctions imposed by the United States with United Nations Security Council Resolution No. 661 of August 6, 1990.

Executive Order No. 12817 was issued on October 21, 1992, to implement in the United States measures adopted in United Nations Security Council Resolution No. 778 of

October 2, 1992. Resolution 778 requires U.N. member states temporarily to transfer to a U.N. escrow account up to \$200 million apiece in Iraqi oil sale proceeds paid by purchasers after the imposition of U.N. sanctions on Iraq. These funds finance Iraq's obligations for U.N. activities with respect to Iraq, such as expenses to verify Iraqi weapons destruction and to provide humanitarian assistance in Iraq on a nonpartisan basis. A portion of the escrowed funds will also fund the activities of the U.N. Compensation Commission in Geneva, which will handle claims from victims of the Iraqi invasion of Kuwait. The funds placed in the escrow account are to be returned, with interest, to the member states that transferred them to the United Nations, as funds are received from future sales of Iraqi oil authorized by the U.N. Security Council. No member state is required to fund more than half of the total contributions to the escrow account.

This report discusses only matters concerning the national emergency with respect to Iraq that was declared in Executive Order No. 12722 and matters relating to Executive Orders Nos. 12724 and 12817. The report covers events from August 2, 1993, through February 1, 1994.

1. During the reporting period, there were technical amendments to the Iraqi Sanctions Regulations relating to notification of transfers into blocked accounts and registration of persons holding blocked property, 58 *Fed. Reg.* 47643 (September 10, 1993). A copy of the amendments is attached for reference.

2. Investigations of possible violations of the Iraqi sanctions continue to be pursued and appropriate enforcement actions taken. These are intended to deter future activities in violation of the sanctions. Additional civil penalty notices were prepared during the reporting period for violations of the International Emergency Economic Powers Act and Iraqi Sanctions Regulations with respect to transactions involving Iraq. Three penalties totaling nearly \$54,000 were collected from three banks for violation of the prohibitions against funds transfers to Iraq, and non-compliance with reporting requirements and an Office of Foreign Assets Control directive license.

3. Investigation also continues into the roles played by various individuals and firms outside Iraq in the Iraqi government procurement network. These investigations may lead to additions to the Office of Foreign Assets Control's listing of individuals and organizations determined to be Specially Designated Nationals of the Government of Iraq.

4. Pursuant to Executive Order No. 12817 implementing United Nations Security Council Resolution No. 778, on October 26, 1992, the Office of Foreign Assets Control directed the Federal Reserve Bank of New York to establish a blocked account for receipt of certain post-August 6, 1990, Iraqi oil sales proceeds, and to hold, invest, and transfer these funds as required by the order. On July 20, 1993, following payments by the Governments of Saudi Arabia and Denmark of, respectively \$40,589,419.00 and \$674,360.00, to the special United Nations-controlled account, entitled United Nations Security Council Resolution No. 778 Escrow Account, the Federal Reserve Bank of New York was directed to transfer a corresponding amount of \$41,263,779.00 from the blocked account it holds to the United Nations-controlled account. Similarly, on August 2, 1993, following the payment of \$1,765,138.33 by the Government of the United Kingdom, the Federal Reserve Bank of New York was directed to transfer a corresponding amount of \$1,765,138.33 to the United Nations-controlled account; on September 11, 1993, following payments of \$1,547,054.35 by the Government of Canada, \$276,000.00 by the Government of Greece, \$3,196,897.72 from the Commission of the European Community, and \$1,006,614.89 from the Government of Denmark, the Federal Reserve Bank of New York was directed to transfer a corresponding amount of \$6,026,566.96 to the United Nations-controlled account; and on December 15, 1993, following payments of \$5,223,880.60 by the Government of the United Kingdom, \$621,426.80 by the Government of Germany, and \$1,219,941.98 from the Government of the Netherlands, the Federal Reserve Bank of New York was directed to transfer a corresponding amount of \$7,065,249.38 to the United Nations-controlled account. Total transfers from the blocked Federal Reserve Bank of New York

account since issuance of Executive Order No. 12817 have amounted to \$107,613,270.99 of the \$200 million for which the United States is potentially obligated, on a matching basis, pursuant to United Nations Security Council Resolution No. 778.

5. Since the last report, there have been developments in one case. In *Campia et al. v. Newcomb et al.*, a settlement was entered into by the parties addressing payment of back rent to the landlord and return to the landlord of premises leased by the Matrix Churchill Corporation. To implement the settlement, certain blocked property owned by Matrix Churchill was sold, with the proceeds placed in a blocked account. Matrix Churchill's remaining property and records were placed in secure storage.

6. The Office of Foreign Assets Control has issued a total of 444 specific licenses regarding transactions pertaining to Iraq or Iraqi assets since August 1990. Since my last report, 53 specific licenses have been issued. Licenses were issued for transactions such as the filing of legal actions against Iraqi governmental entities, for legal representation of Iraq, and the exportation to Iraq of donated medicine, medical supplies, and food intended for humanitarian relief purposes, the execution of powers of attorney relating to the administration of personal assets and decedents' estates in Iraq, and the protection of pre-existent intellectual property rights in Iraq.

7. The expenses incurred by the Federal Government in the 6 month period from August 2, 1993, through February 1, 1994, that are directly attributable to the exercise of powers and authorities conferred by the declaration of a national emergency with respect to Iraq are reported at about \$3.1 million, most of which represents wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the U.S. Customs Service, the Office of the Assistant Secretary for Enforcement, and the Office of the General Counsel), the Department of State (particularly the Bureau of Economic and Business Affairs, the Bureau of Near East and South Asian Affairs, the Bureau of Inter-

national Organizations, and the Office of the Legal Adviser), and the Department of Transportation (particularly the U.S. Coast Guard).

8. The United States imposed economic sanctions on Iraq in response to Iraq's invasion and illegal occupation of Kuwait, a clear act of brutal aggression. The United States, together with the international community, is maintaining economic sanctions against Iraq because the Iraqi regime, despite international will, has failed to comply fully with United Nations Security Council resolutions. Security Council resolutions on Iraq call for the elimination of Iraqi weapons of mass destruction, the inviolability of the Iraq-Kuwait boundary, the release of Kuwaiti and other third-country nationals, compensation for victims of Iraqi aggression, long-term monitoring of weapons of mass destruction capabilities, the return of Kuwaiti assets stolen during Iraq's illegal occupation of Kuwait, renunciation of terrorism, an end to internal Iraqi repression of its own civilian population, and the facilitation of access of international relief organizations to all those in need in all parts of Iraq. Nonetheless, we see a pattern of defiance: repeated public claims to Kuwait, sponsorship of terrorism, incomplete declarations to weapons inspectors, and ongoing widespread human rights violations, among other things. The U.N. sanctions remain in place; the United States will continue to enforce those sanctions under domestic authority.

The Baghdad government continued to violate basic human rights by repressing the Iraqi civilian population and depriving it of humanitarian assistance. For more than 2 years, Baghdad has maintained a complete blockade of food, fuel, and medicine on northern Iraq. The Iraqi military routinely harasses residents of the north, and has attempted to "Arabize" Kurdish, Turcoman, and Assyrian areas in the north. Iraq continues to launch artillery attacks against civilian population centers in the south, and its efforts to drain the southern marshes have forced thousands to flee to neighboring States.

In 1991, the United Nations Security Council adopted Resolutions 706 and 712 that permit Iraq to sell up to \$1.6 billion of

oil under U.N. auspices to fund the provision of food, medicine, and other humanitarian supplies to the people of Iraq. Under the U.N. resolutions, the equitable distribution within Iraq of this assistance would be supervised and monitored by the United Nations. The Iraqi regime so far has refused to accept these resolutions and has thereby chosen to perpetuate the suffering of its civilian population. In October 1993, the Iraqi government informed the United Nations that it would not implement Resolutions 706 and 712.

The policies and actions of the Saddam Hussein regime continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States, as well as to regional peace and security. Because of Iraq's failure to comply fully with United Nations Security Council resolutions, the United States will continue to apply economic sanctions to deter Iraq from threatening peace and stability in the region, and I will continue to report periodically to the Congress on significant developments, pursuant to 50 U.S.C. 1703(c).

**William J. Clinton**

The White House,  
March 3, 1994.

### **Statement on Presentation of the Presidential Medal of Freedom to William H. Natcher**

*March 4, 1994*

Congressman Natcher has served the people of Kentucky and this Nation with distinction since 1941. He is revered by friends and opponents alike, and I can think of no person who deserves our recognition more. He represents the model of leadership to which we should all strive.

NOTE: The President traveled to Bethesda Naval Hospital, Bethesda, MD, where he presented Representative Natcher with the medal. This statement was part of a White House press release announcing the award.

### **Statement on Disaster Assistance to Alabama**

*March 3, 1994*

My heart goes out to the people of the South who have suffered from these recent storms. I know how difficult this winter has been, and I am confident that FEMA Director James Lee Witt will do all he can to assist the people of Alabama, and those throughout the rest of the South, to recover from these damaging storms.

NOTE: This statement was part of a White House press release on announcing disaster assistance to Alabama for winter storms beginning on January 14 and continuing through February 14.

### **Nomination for Ambassador to Cambodia**

*March 3, 1994*

The President today nominated Charles H. Twining of Maryland as the Ambassador to Cambodia with the rank of Minister-Counselor.

"Charles Twining is a talented professional who has focused a good part of his career on efforts in Cambodia," the President said. "I am confident that he will represent our interests well in that country."

NOTE: A biography by the nominee was made available by the Office of the Press Secretary.

### **Proclamation 6655—To Amend the Generalized System of Preferences**

*March 3, 1994*

*By the President of the United States of America*

#### **A Proclamation**

1. Pursuant to sections 501 and 502 of the Trade Act of 1974, as amended ("Trade Act") (19 U.S.C. 2461 and 2462), and having due regard for the eligibility criteria set forth therein, I have determined that it is appropriate to designate Ukraine as a beneficiary developing country for purposes of the Generalized System of Preferences ("GSP").

2. Section 604 of the Trade Act (19 U.S.C. 2483) authorizes the President to embody in